

**POST-CABINET PRESS CONFERENCE: MONDAY, 15 MAY 2023
HANSARD TRANSCRIPT**

PM: Good afternoon, everybody. Welcome to Budget week. This morning I made the last of this year's pre-Budget announcements, and it will see 300 further classrooms built across New Zealand. It brings the total number of new classrooms that have been funded by this Government to 3,000. Over half of those have already been delivered, and around a thousand more are currently either being built or in the planning stages. I'm really proud of the work I've done as Minister of Education and now as Prime Minister in terms of what we've delivered in the education infrastructure space. It's fair to say that back in 2017 we did inherit a run-down school property portfolio, aging run-down classrooms that were not fit for learning in, and in many cases were overcrowded. Since 2017 we've upgraded just about every State school in the country, investing over \$2 billion into improving school property. This morning at Ridgway School here in Wellington, we saw just how fantastic some of the new classrooms we've invested in are, and the difference that they're making to teaching and learning.

Over the weekend we also announced a billion-dollar cyclone recovery package, more than doubling the support the Government has already provided to those regions affected by extreme weather this year. It's the latest in our rolling haul of initiatives and it won't be the last in terms of the support that we provide. The package is about doing the basics well and ensuring that the public assets that the Government is responsible for, like roads, rail, and schools, are rebuilt. It also eases pressure on the rates with direct central government support for things like local road rebuilding. \$100 million has been allocated for new flood protection measures so that the scale of devastation isn't repeated in the future. The cyclone recovery is a big cost, and that has meant that other initiatives did have to be reprioritised as part of the Budget process.

Since I became Prime Minister in January, I have been working to reset the Government's work programme. Over that time we have reduced the number of policies and programmes that we are working on, but until now New Zealanders haven't seen the full picture of our plan ahead in terms of what we will be doing instead.

You will see in the Budget when it's released on Thursday the latest part of our reset and our reprioritisation exercise. Unfortunately for all of you, if I say too much about that, the Minister of Finance will be very upset with me, so you'll just have to wait a few more days to get the details of that. But suffice to say, in tough times the Budget will do what it can to help New Zealanders get through the challenging economic situation that we face at the moment whilst also making the right investments and building for the future.

So, to the week ahead. I'll be in Wellington this week and I will be attending the House here at Parliament as usual. Thursday, of course, is Budget day. On Friday I'll be in Hamilton, and then on the weekend I'll be in Auckland on Sunday to make a climate change – related announcement before flying to Papua New Guinea to attend President Biden's Pacific summit. Happy to open up for questions.

Media: Prime Minister, what do you think of the idea of taxpayer receipts?

PM: People can form their own judgments on that. It's kind of a bit like pledging to bring back the bank statement, really. I mean, anybody can look up on their MyIR website any day, how much tax they have paid. That information's publicly available. Every year when the Budget is released we release a summary of where taxpayer money goes, what New Zealanders are buying for their taxes. I mean, effectively, I think the National Party now seem to be proposing to send out 4.3 million spin doctor – type letters to people explaining where their tax dollars are going.

Media: Nicola Willis says maybe they could get AI to write them. What do you think of that?

PM: I haven't heard that one before. Look, I think it does suggest that their priorities are in the wrong place. This is Budget week. This is the week where we talk about the big issues

that are in front of New Zealanders. If the thing that the National Party think is the most pressing priority for New Zealanders is to receive, effectively, a bank statement of how much they paid in tax, I think that that suggests they've got their priorities all wrong. This is their opportunity to set out what they would do differently in Government. If this is the best they can come up with, I think maybe it's time for them to go back to the drawing board.

Media: Would it be a waste public service funds?

PM: I think it would be an incredible waste of money. Anybody can look up exactly how much tax they have paid on the MyIR website at any time.

Media: How significant will any tax changes be on Thursday?

PM: Not hugely significant.

Media: What do you mean not—

PM: Look, I'm not going to get into what's in the Budget but I've already set out that major changes to tax aren't part of this year's Budget.

Media: But major, and not hugely—

PM: I'm not going to get into the speculation game around what is and isn't in the Budget. Obviously we've still got a few days to go.

Media: Is there anything in it that you would consider would come as a surprise to us, or will it be predictable?

PM: Three more sleeps and then you'll find out.

Media: And just back to the first question about the tax receipts, do you think that that would require quite a few bureaucrats to put together, or maybe contractors and consultants?

PM: Well, look, ultimately it's certainly not going to be a cost-free exercise. Someone would have to pay for those letters to be written and for them to be sent out. Ultimately that's going to involve employing people to do that.

Media: The other idea that National had was this idea of after money gets spent, for Treasury to audit for the value that the money was getting. That's been an idea that's been popular on the left as well as the right recently. Is that something that you could possibly look at? There seems to be a lot of emphasis done at the moment on auditing money before it gets spent, but not a lot of emphasis on looking at the value that that money gets after it is spent.

PM: It's a very novel idea, which is that you could specify performance measures for all of the money that the Government spends in each year's Budget, and the next year you could report back on whether those performance measures have been met through that spending. We do that every year; it's called the Budget documentation.

Media: The Auditor-General raised this thing with the mental health spend: that there's still isn't enough value for money. The auditing is done on a legal basis—whether the money was appropriated through the legal process. But the value for money that this spending gets is not properly audited by Treasury, apart from in the Estimates you can see very basic targets, obviously. But there is still a massive gap there, and people are left with this too.

PM: Well, it ultimately comes down to what performance measures you specify. The Budget process requires Government to specify the performance measures for every dollar of taxpayer funding that gets spent. If there's dissatisfaction with the performance measures, well, the National Party could come up with some different performance measures and say this is what we're going to measure instead. They haven't done that.

Media: Yes or no—are there tax changes in the Budget?

PM: I'm not getting into the Budget at all.

Media: The Auditor-General has repeatedly raised concerns that while you can track the appropriation, that it's been done properly, etc., and spent on what it was meant to be spent on, it's still difficult to tell whether it was effective. Surely you would have an interest in ensuring that what you spend is effective.

PM: Of course. There are actually quite a few evaluations and value for money reviews that get done from time to time across Government. Typically, there is a valuation of significant new spend when it comes to Government initiatives. It might not be led by the Treasury. In some cases it's led by the departments who have relevant subject matter expertise to conduct an evaluation. But across Government spending, there is regular evaluation of the effectiveness of the spend of money, in addition to the fact that we clearly have performance measures that we report against every year.

Media: Has the Government made decisions on the outcome of the Working for Families review?

PM: I know you're trying to lead me into talking about what is and isn't in the Budget, and you'll just have to wait a couple more days.

Media: You're going to Papua New Guinea at the end of the week. What do you hope to achieve?

PM: I think it will be a good opportunity to engage with other Pacific leaders. Obviously, it will be my first chance to meet in person with some of the other leaders from Pacific countries, because I wasn't able to attend the Pacific Island Forum earlier in the year because of the cyclone. So it'll be an opportunity to meet with them. Obviously, I'm hopeful that I'll have an opportunity to meet with, even briefly, President Biden, and that'll be an opportunity for us to talk about issues of relevance to New Zealand.

Media: Is it all about hand-shaking, in an election year?

PM: No.

Media: Is there any doubt that he may go, and if he doesn't go, would you still go to meet with the Pacific leaders?

PM: Ultimately, that's a hypothetical question and we'll make that judgment depending on what changed in the next few days.

Media: If the US President was unable to attend, would you still intend to go to Papua New Guinea?

PM: I haven't had any indications at that point that that's likely, but obviously I'd consider that if that was to happen.

Media: Just on the land-use inquiry, what do you make of the findings--stopping harvesting in Wairoa and Tairāwhiti, and the task force and—

PM: I've now got a big chunk of ice in my mouth so—

Media: It's all right; take your time.

PM: I haven't had the chance to consider them in detail yet. I haven't had a chance to consider that in detail yet. The Cabinet hasn't received the report, so obviously the Government's received the report. We'll now get some advice on that, so it will go to Cabinet, and I'll reserve my judgment on that until we've had the opportunity to consider it in more detail.

Media: What do you make of the response from Gizzy district council saying that there's unsubstantiated claims in that inquiry and that they're very disappointed with what it's come out with?

PM: Part of the process of working through the recommendations and the findings of the report will be to ensure that the local authorities have the ability to have input into the next steps in the process. I acknowledge it's a substantial report. There will be some controversy

around it. It's clearly a controversial topic, and so it's important that, through the next part of the process, we involve them in that. So, again, I would like to provide some reassurance to the local authorities. They will have the opportunity to feed it back, their feedback, and being involved in the next steps in terms of decision making from this point forward.

Media: And so do you generally agree with the principle or one of the large principles in that inquiry, or what they've found, around that we have five to ten years before we're looking at widespread land loss there?

PM: Like I said, I haven't looked at the detail of the report yet, and we haven't had advice on the detail of the report yet, so I don't want to get into providing a commentary on which of the recommendations or findings I agree with or don't agree with until we've gone through that process.

Media: Have you had a word with Greg O'Connor about those remarks made about the Sri Lankan student?

PM: Yes, I have, and ultimately he recalls the conversation differently to the way it's been conveyed by them. I think he regrets the fact that, you know—if any offence was taken, he certainly does regret that, but he recalls the conversation differently.

Media: Right, so he recalls no implication that this person was seeking special treatment or any indication on his part that Sri Lanka had lower standards of probity for [*Inaudible*] I guess.

PM: I mean, ultimately, probably the question—I wasn't party to that conversation, so questions about the specifics of the conversation are ones for Greg. But the reassurance that he has given me is that the inference that has been placed on that conversation is incorrect.

Media: Is he going to get in touch and apologise for, you know, the way that those comments were received?

PM: My understanding is that he has already expressed his regret in the way the conversation has been interpreted, and, like I said, what he has told me—and bearing in mind that there's no way to validate this either way, because ultimately it was a private conversation. He certainly has indicated that the way the conversation has been interpreted was never intended on his part, and he recalls the conversation differently.

Media: Just on last night's poll, were you surprised, I guess, given that Labour had had a bit of a tumultuous period during that holding period in terms of what happened with Meka Whaitiri, and I think Stuart Nash came into part of that period as well—what does that say to you? Does it say that the public just doesn't kind of engage in those sorts of political stories, or what's your view on that, I guess?

PM: I think what it says is that New Zealanders want to know that the Government is focused on the most important issues facing them at the moment, which is the cost of living, the recovery from the cyclone, and they clearly can see that that is where my focus is and that is where the focus of the Government is.

Media: Nelson got hit by flooding last year. They've got a plan to rebuild there. It's going to cost about \$12 million. They're hoping the Government can come to the party and pay about half, about \$6 million. Is that something the Government would consider?

PM: We'll consider—you know, we're talking to local government at the moment, on a regular basis, in terms of the cost share around recovery from weather events. I think the issue that Nick Smith is putting on the table is around improvements and who should pay for improvements, so not just rebuilding back the status quo but rebuilding back better. That's always going to be a contentious area of discussion, because in some cases building back better isn't just about building back in a more resilient way. It's also about actually improving the value of those assets, and so where the cost of that should fall, of course, will be a conversation between central and local government. But if you look at the announcement we made in the weekend, we're recognising that to rebuild—in some cases, this rebuild, as it

was before; in some cases, building back better, with more resilience—does require central government involvement. But it's going to be a series of ongoing discussions around who pays for what.

Media: On that poll, just back to the poll, are we right to now think of the Māori Party as part of some greater left block that might form Government after the next election?

PM: No, not at all. I think people should vote for the party that they want to be in Government. That's the nature of an MMP election. I'm out there campaigning for every vote that I can get for the Labour Party. In terms of what the voters dish up in terms of governing possibilities after the election, that's ultimately a matter for the voters. But I am 100 percent campaigning for party votes for the Labour Party.

Media: So you'll talk to anyone?

PM: I've said that closer to the election, once parties have set out what their platforms for the election are, that we'll be more clear on where we see common ground and where we see that, you know, it would be more difficult to work with other parties.

Media: From what you've seen of the Māori Party's manifesto so far, is there any way you could see them around the Cabinet table?

PM: There are areas where we have some shared views with the Māori Party. So in some of the social policy areas, for example, some of the things that we're trying to achieve as a Government: making sure that we're closing gaps in terms of educational achievement, making sure we're delivering better health outcomes for all New Zealanders, dealing with the underlying causes of socio-economic disadvantage. Those are areas where we, clearly, have some shared objectives in common. It may well be, as we get closer to the election, that there are some areas where we don't agree with them, where there are things that we take off the table in terms of saying, "No, that's not something that we would be willing to consider." But we're still in the very early stages yet—parties haven't set out their manifestos for the forthcoming general election. So, you know, I think it's pretty premature.

Media: So you are committed to giving New Zealanders the certainty of what you would rule out from their manifesto?

PM: As I've said, closer to the election—and this happens in every election campaign, where there are things where we think they are a no-go zone that are being proposed by other parties that we might work with after the election, we would be clear about that.

Media: Have you seen or spoken with Winston Peters or Shane Jones this year?

PM: Sorry, what was that?

Media: Have you seen or spoken with Winston Peters or Shane Jones this year?

PM: I haven't seen Shane Jones, to my recollection. I think I saw Winston Peters at a farewell function involving a few other people in the room.

Media: Given the comments from Winston Peters around not working with Labour, do you see that as a door shut New Zealand First, potentially, if they were to be [Inaudible]?

PM: Winston Peters has ruled people out before only to work with them after an election. Ultimately, it's really a question for New Zealand First.

Media: So you could work with Winston Peters—you've got a good relationship?

PM: I've indicated that we're not going to be making those calls until closer to the election.

Media: What's your view on having a cup of tea with a party in certain electorates?

PM: It's not really the way that we've done things in the Labour Party in the past, and I don't really intend to start doing that now.

Media: So you rule out having a cup of tea with someone before the election—in inverted commas?

PM: I have cups of tea with people all of the time. If you're talking about an electorate accommodation, that's not something the Labour Party's done in the past.

Media: So you will not make any exceptions or allowances for any other party to win a seat?

PM: It's not something we've done in the past and it's not something that I've considered.

Media: Prime Minister, what's been the process like for you putting together your first Budget under your prime ministership, and are you stoked with it?

PM: I think what New Zealanders will see in the Budget on Thursday is that it's a Budget that speaks to the times that we are in at the moment. New Zealanders are expecting us to focus in on the core issues that are affecting them. They'll see that that's what we've done in the Budget.

Media: Are you proud of it? Are you happy with it?

PM: I'm very proud of it.

Media: From the update this morning, we now know that there are now three attendance officers out of the 82 which were meant to start in term 2. Is that good enough?

PM: Certainly I want them to be making good progress on getting kids back into school. Fundamentally, that's what we've put the extra funding into doing—getting kids back into school. That's where their focus needs to be.

Media: There's currently only three of them—to get all of those kids—

PM: I actually meant to follow that up after your question this morning just to get the latest information so that I had it here so that I could answer your question. I haven't done that, so that question is best addressed to the Minister of Education.

Media: The Minister of Education is blaming the ministry for making excuses about contracts. Is it ultimately her responsibility, though, to make sure that there are 82 attendance officers if that's where that money has gone?

PM: Of course I want Ministers to be driving performance from the departments and agencies that they're responsible for. I'm sure that the Minister of Education will be doing that.

Media: Can you clarify the comments that you made in your opening remarks about this being the latest part of the policy reprioritisation. Are there going to be more policies dumped on Budget day? Is that what you're signalling?

PM: The Minister of Finance has already indicated that there's been a significant amount of financial reprioritisation in this Budget, and you'll see the extent of that on Thursday. As I indicated when I set out the last group of reprioritisation decisions, the next step would be the Budget and so you'll see that in the Budget.

Media: So the balance of that \$4 billion is basically what you're reviewing?

PM: That's right—where that money's come from and where it's going.

Media: Prime Minister, have you been following the drama—or developments—within the Gore District Council, and are you concerned by what's happening down there?

PM: I haven't been following it closely. I know the Minister of Local Government has been. The threshold for central government intervention in relationship situations with a local authority is quite a high threshold, so where the relationship breaks down between elected representatives and the staff of the local authority, the threshold for central government to intervene in those matters is a very, very high one.

Media: Prime Minister, Te Paati Māori is quite passionate about changing the official name of New Zealand to Aotearoa. Is that something you'd be amenable to?

PM: It's not something that I have actually given any official consideration to. I'm aware that the name Aotearoa New Zealand is used in a much more widespread manner than it was 10, 15 years ago, and in some places people simply call it Aotearoa, depending on the context, and I'm quite relaxed about that. In terms of whether we change the official name or not, I actually think more important is what the common usage is, and I think we're seeing increasing common usage of Aotearoa New Zealand and I'm quite comfortable with that.

Media: What about becoming a republic—I mean, you said yourself you're a republican. Te Paati Māori's got a petition on their web page for that. If it came down to it in a coalition deal, to get it across the line—to get a coalition across the line—would you say yes to that?

PM: A decision on whether or not New Zealand became a republic—

Media: A referendum, sorry.

PM: —is ultimately one for the New Zealand public, and so it would have to be by way of a referendum. It's not something that I am proposing. I'm not going to get into ruling things in or out in terms of coalition discussions after an election—unless we do that before an election, and I'm not doing that today.

Media: Have you had any briefings on the numbers or attrition within the SAS?

PM: Not since I became Prime Minister.

Media: Right. So would you be aware, then, if we have the numbers necessary to deploy offshore?

PM: I'm very careful in what I say about that because this is an area where we typically don't provide information publicly around force readiness. I'm aware that some data has been released before around recruitment to the SAS, but overall information about force deployment and force readiness isn't something that's been released in the past and I don't intend to start doing that now.

Media: But you know one way or t'other whether we can deploy offshore or not?

PM: Again, issues around force readiness for deployment isn't something that we make public comment on.

Media: So should it be concerning to New Zealanders that the Defence Force considers the current security environment—that it considers that to outweigh the need for transparency regarding attrition in the SAS?

PM: Information about the SAS has never routinely been publicly released. My understanding is that, I think back in about 2016, some limited information about SAS recruitment was released, and, in answering a series of questions—you know, seeking further information—a decision by the appropriate decision makers was taken that releasing more information would start to cumulatively allow people to assemble more information about force readiness and so on, and so the decision was taken not to release that information on security grounds.

Media: Yeah, so is that something that New Zealanders should be concerned about?

PM: No.

Media: Just to clarify, Prime Minister, you mean that you were briefed when you became Prime Minister—that's what you mean when you say you haven't been briefed since you became Prime Minister?

PM: I think, again—it's a few months ago now. I'm sure I received some background information, you know, around SAS when I became Prime Minister as part of the overall national security information that I received at the time, but I can't remember all of the specific details—what was and wasn't in it. But, that said, it's not something that we tend to release

information on publicly. People's lives literally are at stake when we're talking about this, and so we are very careful around the information we release around the work of the SAS.

Media: Shouldn't the answer to the question of whether the SAS is able to deploy always be yes?

PM: Like I said, the neither confirm nor deny stance that's taken on national security matters is there for a reason.

Media: Prime Minister, looking back at Posie Parker, what was your involvement in the decision not to intervene in her visa?

PM: Very limited. I mean, I think I had one brief conversation with Michael Wood about it in passing, and, other than that, I don't think I had any official involvement in it.

Media: Were you in any meetings with immigration officials or national security advisers?

PM: No.

Media: How long did it take you to come up with "Coalition of Cuts"?

PM: I'm not going to get into that. Anything else? It's a fairly quiet day today.

Media: Was it you—was it a Chris Hipkins special?

PM: I never reveal my sources.

Media: On a scale of one to 10, how nervous are you that something's going to leak out before Budget day and you'll face the wrath of the finance Minister?

PM: I'm very comfortable.

Media: What's your policy on water? Why do you like ice water?

PM: I didn't necessarily want ice water; it's just—it's there. But it makes a lot of noise when I pour it out.

Media: So it's not a specific request?

PM: That wasn't a specific request from me, no. I'm quite happy with tap. Thanks everybody.

conclusion of press conference